

Service Date: July 10, 2003

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER OF BIG MOUNTAIN)	UTILITY DIVISION
WATER CO., Application for Approval of)	DOCKET NO. D2002.11.134
Increased Rates and Charges for Water Service)	ORDER NO. 6480a

FINAL ORDER

HISTORY

1. On November 1, 2002, Big Mountain Water Co, Inc. (Big Mountain) filed with the Montana Public Service Commission (Commission) an application for approval of increased rates and charges for water service in its service area at Big Mountain, near Whitefish Montana.
2. On January 3 2003, the Commission filed the Notice of Application and intervention deadline. The Montana Consumer Counsel (MCC) petition to intervene was granted on January 24, 2003.
3. MCC and Big Mountain requested on March 23, 2003 that the procedural schedule in Order No. 6480 be suspended to the date for filing intervenor testimony so that Big Mountain and MCC could pursue a settlement of issues in this docket.
4. Big Mountain and MCC submitted a signed stipulated agreement on April 30, 2003. A public meeting on the stipulation was held at Big Mountain on June 17, 2003 with Commissioners Rowe and Schneider present at the meeting. Parties were afforded the opportunity to voice their concerns on the stipulation. There were no objections to the stipulation.

FINDINGS OF FACT

1. There is a signed Stipulation Agreement between the applicant and intervening parties outlining rates and charges. A copy of the Stipulation and Exhibit is attached for reference and is included in these Findings of Fact.

2. The MCC and Big Mountain stipulated to:

A. A capital structure of 55 percent equity, 45 percent debt and an authorized rate of return on equity of 10.5 percent.

B. Total Annual Revenues of \$116,254

C. A consumption rate of \$4.08 per thousand gallons

D. The following monthly customer charges according to meter diameter:

i. 5/8 to 3/4 inch	\$8.00 per month
ii. 3/4 inch	\$12.00 per month
iii. 1 inch	\$20.00 per month
iv. 1.5 inch	\$40.00 per month
v. 2 inch	\$64.00 per month
vi. 3 inch	\$120.00 per month
vii. 4 inch	\$200.00 per month
viii. 6 inch	\$400.00 per month
ix. 8 inch	\$640.00 per month

E. Implementing the following new charges:

Turning water on or off	\$25.00 per time
Late Payment Charges	1.5 percent per month
Hydrant Connection Fee	\$75.00
Meter Testing Deposit	\$25.00

F. Retain the charge for commercial fire service (fire sprinklered buildings) of \$.80 per thousand gallons

G. Retain the installation and inspection fee of \$150.00 per new account

CONCLUSIONS OF LAW

1. Big Mountain provides public water service within the state of Montana, and as such is a "public utility" within the meaning of § 69-3-101, MCA
2. The Montana Public Service Commission properly exercises jurisdiction over Big Mountain's rates and charges pursuant to Title 69, Chapter 3, MCA.

ORDER

THEREFORE THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. The Stipulation filed by Big Mountain and the Intervening parties are approved with accordance with this Order.
2. Big Mountain will abide by all Findings of Fact in this Final Order. All rates and charges will comply with the Stipulation Agreement signed by the parties.
3. Big Mountain must file tariffs in compliance with the Findings of Fact in this Final Order
- 4, This Final Order is effective for service on and after July 1, 2003.

DONE IN OPEN SESSION at Helena, Montana on this 26th day of June 2003, by a 5-0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

BOB ROWE, Chairman

THOMAS J. SCHNEIDER, Vice Chairman

MATT BRAINARD, Commissioner

GREG JERGSON, Commissioner

JAY STOVALL, Commissioner

ATTEST:

Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.